



**Appraisal
Institute®**

*Professionals Providing
Real Estate Solutions*

Great Lakes Chapter

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Banking and Financial Services Committee
327 House Office Building
Lansing, Michigan 48909

Dear Members of the Banking and Financial Services Committee:

Thank you for giving me the opportunity to join you here today as a representative of the Michigan Chapters of the Appraisal Institute. With nearly 100 chapters, the Appraisal Institute is an international membership association of professional real estate appraisers, with approximately 400 members in the Michigan Chapters and more than 20,000 members throughout the United and other countries.

We want to thank the committee for addressing the issue of mortgage fraud, particularly the legislation that would prevent appraiser pressure and protect consumers. As you know, mortgage fraud is a serious problem in many parts of the country, including here in Michigan, and we stand committed to work with this committee to address the issue. As such, we support House Bills 6432, 6433, 6434, 6435 and 6436.

Too often, mortgage brokers, lenders and others pressure appraisers to provide a predetermined value of real estate in order to receive future work or maintain their status on an approved appraiser list. We support legislation that imposes strict penalties on individuals who act to coerce appraisers. We also support increased penalties for all individuals involved in mortgage fraud schemes.

Our goal is to deliver an appraisal that accurately reflects the market value of property held for collateral while maintaining the highest ethical standards of the profession. To better protect the interest of the homeowner, the appraiser must remain an independent voice in the home buying process. Because the appraiser has no stake in the outcome of the transaction, the consumer and the lender can benefit from that independent and unbiased view and estimate of value. While the issue of mortgage fraud goes well beyond appraiser pressure, the steps you are taking to keep our work independent are critical to solving this growing problem.

Once again, the Michigan Chapters thank you for your hard work in fighting appraiser pressure and protecting consumers against mortgage fraud. We look forward to working with you to ensure passage of these bills.

Sincerely,

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General Associate Member, Great Lakes Chapter of the Appraisal Institute
Region III Government Relations Representative